

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
MINUTES
May 8, 2019**

Present:

Treasurer John McMillan, Chair
Mr. Lance Lachney for Dr. David Bronner
Mr. Robert Bradley
Ms. Sara Calhoun for Mr. Jimmy Baker
Dr. James Purcell
Mr. Tommy Dismukes
Ms. Patti Lambert
Gen. Paul Hankins
Ms. Maria Campbell

Absent:

Rep. Bill Poole
Sen. Trip Pittman
Mr. Sandy Hammer
Ms. Michelle Granberry
Mr. Kelly Butler
Dr. Ken Tucker

Others present include:

Ms. Daria Story, Assistant Treasurer
Ms. Anita Kelley, Program Director
Ms. Brittany Carter, External Affairs
Mr. Dan Sherman, Sherman Actuarial Services
Ms. Kayla Bankston, PACT Staff
Mr. George McCurdy, Regions Bank
Mr. Larry Ransburgh, Regions Bank

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held in the 3rd Floor Conference Room of the RSA Union Building on May 8, 2019. The meeting was called to order by Chair John McMillan at 1:02 p.m.

Roll was taken with a quorum present.

Chair McMillan presented the minutes of the November 14, 2018 board meeting. A motion for approval of the minutes as presented was made by Gen. Hankins, seconded by Ms. Campbell, with unanimous approval.

Chair McMillan asked Anita Kelley for a program report. Ms. Kelley provided information on program activities, plan assets, revenues and disbursements, and the budget for fiscal year 2019. She discussed tuition payments and stated the program paid out benefits in the amount of \$14.1 million to 3,521 students from January 1 through March 31 and noted that the number of active accounts was 14,839. A transfer

from the Education Trust Fund in the amount of \$15 million was received on 1/2/19. The report was received as informational.

Chair McMillan called on George McCurdy with Regions Bank to present the quarterly investment report. Mr. McCurdy gave an economic and financial market update. He discussed the performance of the portfolio versus the benchmark and said the portfolio earned 1.40% for the quarter and outperformed the benchmark by .19%. The report was received as informational.

Chair McMillan called on Dan Sherman with Sherman Actuarial Services to present the quarterly actuarial report. He stated the asset value as of 3/31/19 was \$92,250,371 and discussed the funded ratio and noted it had increased from 120.2% as of 9/30/18 to 122.3% as of 03/31/19. He also reviewed a spreadsheet of the projected cash flows, assets and liabilities through year 2032. The report was received as informational.

Mr. Sherman presented and discussed two actuarial projections for increasing PACT benefit payments. He reviewed how each would affect the funded ratio and the cash flow in future years. He stated that the program, with the increase, would be actuarially sound. After thorough discussion of each scenario, Chair McMillan presented a proposed resolution for consideration to approve a 7% adjustment rate in PACT benefit payments payable for the Fall term. A motion to approve the resolution was made by Gen. Hankins, seconded by Dr. Purcell, with unanimous approval.

Chair McMillan noted that the February 6, 2019 Meeting Notes were included in the Board package for review.

There being no further business to be discussed, a motion to adjourn was made by Gen. Hankins, seconded by Mr. Dismukes, with unanimous approval. The meeting adjourned at 1:32 p.m.

Anita Kelley, Director

John McMillan, Chair